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Automotive Fund Champions Transformation and Innovation, Invites New Entrepreneurs to Join Its Mission

- **R596 million invested in automotive entrepreneurs since 2021**
- **67 beneficiaries funded by AITF since inception**
- **30% of funding allocated to women-owned businesses**
- **APDP 2 presents fresh opportunities for entrepreneurs to drive localisation**
- **New era of New Energy Vehicles (NEVs) also presenting new opportunities**

Cape Town, Tuesday, 15 October 2024 — The Automotive Industry Transformation Fund (AITF) is igniting a new era of opportunity and growth for South Africa’s automotive sector, empowering emerging entrepreneurs to be at the forefront of transformation. As the fund embarks on its next chapter, in alignment with the Automotive Production and Development Programme (APDP 2), AITF calls on bold, visionary entrepreneurs to apply for funding and join in driving the future of the industry.

Addressing the media and delegates at the start of the South African Auto Week (SAAW) conference in Cape Town, hosted by the National Association of Automobile Manufacturers of South Africa (NAAMSA) – the automotive business council, AITF Chief Executive Officer (CEO) Jabu Selumane reflected on the remarkable progress made since the fund’s inception and its commitment to creating a more inclusive, thriving automotive industry. “In just a few short years, we’ve surpassed expectations – funding over 67 companies and distributing R596 million across the automotive value chain. Our goal is to support 90 companies by 2029, and we are well on our way to achieving that.”

A Legacy of Empowerment

Founded in 2020 as a collective Equity Equivalent Investment Programme (EEIP) by seven automotive original equipment manufacturers (OEMs) – BMW, Ford, Isuzu, Mercedes-Benz, Nissan, Toyota, and Volkswagen – the AITF is setting a new standard for transformation. By offering market access, funding, and business support to black-owned companies, the AITF has empowered entrepreneurs from all corners of the automotive industry, from panel beaters to car dealerships and component manufacturers, fostering job creation and economic growth along the way.

Driving Real Impact

“The impact of our work goes far beyond numbers,” Selumane explained. “We are not just creating opportunities – we are creating legacies, businesses that will stand the test of time in an evolving sector. From upstream to downstream, our beneficiaries are shaping the

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future of South Africa's automotive industry, bringing innovation and resilience into a challenging economic landscape.”

AITF's transformative efforts have also introduced a vital focus on gender equity. “We set a goal to allocate 30% of our funding to women-owned businesses, and I am proud to say we have achieved that milestone,” Selumane announced. “This isn't just about meeting targets; it's about exceeding expectations and driving meaningful change. The OEMs involved are not simply ticking boxes – they are invested in building a future that reflects South Africa's diversity and talent.”

Navigating Challenges and Creating Solutions

Despite the challenges posed by a sluggish economy and limited market growth, the AITF remains committed to helping black-owned businesses break through barriers. “Our entrepreneurs are entering a competitive landscape, and while the pie may not be growing significantly, we are ensuring they have the tools and support to claim their share,” said Selumane.

In response to the unique needs of the sector, AITF has diversified its financial offerings – introducing long-term funding, equity-like investments, and preferential loans. “We're removing the traditional barriers that have kept many black entrepreneurs from accessing the funding they need. Our aim is to provide low-risk, flexible financing that aligns with the realities of the automotive industry, so our beneficiaries can focus on growth without being weighed down by financial strain.”

Unlocking the Future with APDP 2

In line with APDP 2 amendments on B-BBEE, the AITF is set to unlock even greater opportunities for entrepreneurs across the entire value chain. “We're expanding our focus beyond the original seven OEMs to include Tier 1 manufacturers, opening the door for even more entrepreneurs to contribute to the localisation of the industry,” Selumane noted. “This isn't just about increasing local content – it's about deepening localisation and building a strong, sustainable foundation for the future of automotive manufacturing in South Africa.”

By fostering innovation and investment in key areas like new energy vehicles (NEV) infrastructure, battery manufacturing, and sustainable production, AITF is positioning South Africa to compete globally in the rapidly changing automotive landscape.

Looking Ahead: Building a Legacy of Transformation

Reflecting on the fund's journey, Selumane emphasised that the AITF has always been driven by a clear, strategic vision. “Our five-year plan has laid a strong foundation of trust, governance, and collaboration, allowing us to move into more complex problem-solving. We call it our BOOST strategy – Build, Operate, Orientate, Solve, and Transform – and it's guiding us as we work to create a lasting impact.”

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Looking forward, the AITF aims to be a key enabler of transformation not only within the automotive sector but across South Africa's economy. "We believe that collective action and strategic partnerships are essential for sustainable growth," Selumane concluded. "The automotive industry is showing what's possible when businesses unite behind a common goal, and we encourage other sectors to follow suit."

The call is clear: for visionary entrepreneurs ready to shape the future of South Africa's automotive sector, the AITF stands ready to support, invest, and transform.

For more information about the AITF visit: www.autofund.co.za

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Issued on behalf of the AITF by:



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Overview of AITF Beneficiaries

(Company profile videos to be available in due course)

Steelbest Manufacturing

Steelbest Group's automotive division specialises in the production and supply of high-quality steel products and components for the automotive industry. Their advanced manufacturing capabilities include stamping, welding, and assembly, delivering durable and efficient solutions tailored to automotive applications. Currently, they supply cam carriers, water pump components, and lower support brackets to Volkswagen's production plant in Qheberha, housing components to BMW South Africa's Rosslyn Plant, and base plate components to Ford Motor Company SA's plant in Silverton.

Contact Person: Mr. Reuben Olifant, Executive Chairman.

Web: <https://steelbestgroup.com/Automotive/>

Lwams Africa Group

Lwams Africa Group specialises in the production of plastic backing plates and fuel cap components for various original equipment manufacturers (OEMs) and dealerships.

Contact Person: Mr. Zwivhuya Nelwamondo, Managing Director.

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Web: <https://lwamsafricagroup.co.za/>

EE Quality Solutions

EE Quality Solutions supports Mercedes-Benz South Africa's production plant in East London by providing timely picking and packing services for steering racks and shock absorbers in line with production cycles.

Contact Person: *Mr. Sinethemba, Founder and CEO.*

Web: <https://eequalitysolutions.co.za/>

AIH Logistics

AIH Logistics offers cost-effective, independent contract assembly operations, providing a viable business model for vehicle assembly and disassembly centres for semi-knocked-down (SKD) export. They currently support Ford's production plant in Silverton by ensuring timely picking and packing of production parts.

Contact Person: *Mr. Paulo Fernandes, Director.*

Web: <https://autoih.co.za/>

Anax Logistics

Anax Logistics provides fleet solutions within the logistics, automotive, and transportation sectors. They support Mercedes-Benz South Africa's production plant in East London by converting Sprinter minibuses and providing man-power on the production line.

Contact Person: *Mr. Eric Mqibelo, CEO.*

Web: <https://anax.co.za/>